

# **EMS Transport Reimbursement Program**

***Loudoun County Disability Services Board***

***LCG Center***

***October 17, 2013***



## Joint Legislative Audit Review Commission (JLARC) 2004 Report on Emergency Medical Services

*“Emergency medical service agencies should actively consider billing patient’s health insurance policies for the services and transportation provided.”*



October 17, 2013

## Reimbursement for Services is Not New

- Number of agencies seeking reimbursement in Virginia has increased dramatically in the last ten years.
- 544 Municipal and Volunteer Fire & Rescue agencies in the State
- 341 Agencies in Virginia currently are reimbursed (63%)
- Both volunteer and Career Agencies



## CURRENT EMS ANNUAL EXPENDITURES - Loudoun

Elements to providing EMS	Annual Cost
County Career Personnel (106.40 FTE)	\$8.43 Million
Contribution to Volunteer Rescue Companies (includes Combined Fire and Rescue Companies)	\$3.58 Million
Debt Service for Ambulances Purchases and Stations (Construction/ Renovations)	\$1.76 Million
<b>Total of these EMS Elements</b> (further costs exist for equipment, training, supplies, and other operating costs that are not included)	<b>\$13.77 Million</b>



## EMS REIMBURSEMENT PROGRAM TYPE

- Insurance Reimbursement only
- “Soft” billing
- “Medium” billing
- “Hard” billing



## **Preliminary Findings and Recommendations >** *Billing Program Types and Policy Considerations*

Major Types of EMS Billing and Collections Programs	Aspects of Each of these Programs
1.) Insurance Reimbursement (Only)	<ul style="list-style-type: none"> <li>➤ Only invoices sent to insurance carriers</li> <li>➤ Hardship waivers available for “self-pay” patients</li> <li>➤ No billing or collection efforts for co-pays</li> </ul>
2.) “Soft”	<ul style="list-style-type: none"> <li>➤ Co-pays are pursued</li> <li>➤ Three notices / invoices sent out; 30, 60, &amp; 90 days</li> </ul>
3.) “Medium”	<ul style="list-style-type: none"> <li>➤ Accounts receive same treatment from billing vendor (as listed above)</li> <li>➤ However, at the 180 day mark, sent to treasurer for collection efforts, as with other County debts</li> </ul>
4.) “Hard”	<ul style="list-style-type: none"> <li>➤ Patients will receive three notices / invoices</li> <li>➤ At the 180 day mark, series of “Dunning Letters” sent</li> <li>➤ If no payment at the 270 day mark, the account will be reported to credit bureau as a “bad debt”</li> </ul>



## Comparative Programs and Practices >

Agency and program start date	Transport Volumes and Call Types in 2012	Reimbursement Charged	Payor Mix	Type of Program
Chesterfield County, VA (Program started in 2002)	BLS – 8,383 ALS1 – 16,875 ALS2 – 558 Total – 25,816	BLS – \$394.00 ALS1 – \$468.00 ALS2 - \$677.00	Medicare – 39% Medicaid – 11% Third-Party Ins. – 37% Self-Pay – 13%	“Insurance Reimbursement Only”
Fairfax County, VA (Program started in 2007)	BLS – 12,087 ALS1 -33,935 ALS2 – 465 Total – 46,487	BLS – \$400.00 ALS1 – \$500.00 ALS2 - \$675.00	Medicare – 43% Medicaid – 1% Third-Party Ins. – 42% Self-Pay- 14%	“Soft” billing and collection efforts



## Comparative Programs and Practices >

Agency and program start date	Transport Volumes and Call Types in 2012	Reimbursement Charged	Payor Mix	Type of Program
Prince William County, VA (Program started in 2011)	BLS – 5,273 ALS1 – 13,184 ALS2 – 377 Total – 18,834	BLS – \$400.00 ALS1 – \$500.00 ALS2 - \$700.00	Medicare – 39% Medicaid – 9% Third-Party Ins. – 41% Self-Pay – 11%	“Insurance Reimbursement Only”
Stafford County, VA (Program started in 2006)	BLS – 2,108 ALS1 – 5,270 ALS2 – 151 Total – 7,529	BLS – \$400.00 ALS1 – \$500.00 ALS2 – \$675.00	Medicare -37% Medicaid – 9% Third-Party Ins. – 45% Self-Pay – 9%	“Insurance Reimbursement Only”
Fredrick County, MD (Program started in 2003)	BLS – 9,830 ALS1 – 14,880 ALS2 – 504 Total – 25,214	BLS – \$420.00 ALS1 – \$600.00 ALS2 - \$700.00	Medicare – 52% Medicaid – 10% Third-Party Ins. – 32% Self-Pay – 6%	“Soft” billing and collection efforts

## EMS REIMBURSEMENT PROGRAM TYPE

### Key Policy Choice

- Use a middle of the road, *Soft Billing* program model
- Reimbursement bills will be sent to insurers and co-pays are pursued via 30-, 60-, and 90-day notices/invoices
- Accounts are written off if no payment is received after the third notice
- NO turnover to collections



## EMS REIMBURSEMENT RATES

### Medicare/ Medicaid

BLS Emergency (A0429) Medicare / Medicaid Reimbursements	ALS 1 Emergency (A0427) Medicare / Medicaid Reimbursements	ALS 2 Emergency (A0433) Medicare / Medicaid Reimbursements	Mileage Medicare / Medicaid Reimbursement s
Medicare Allowable: \$350.54	Medicare Allowable: \$416.27	Medicare Allowable: \$602.50	Medicare Allowable: \$7.09
Medicaid Payment: \$125.00	Medicaid Payment: \$125.00	Medicaid Payment: \$125.00	Medicaid Payment: \$7.09



## EMS REIMBURSEMENT RATES

### EMS Responses Mix

Medical Support of EMS Transports in Loudoun County	Total Number of Calls	Percentage of Total EMS responses
BLS	28%	3,916
ALS	70%	9,790
ALS-2	2%	280
TOTAL	100%	13,986



## EMS REIMBURSEMENT RATES

Factoring Rates	"Market-Driven"	All Data Elements Considered
Analysis of Private Sector Transport Agencies		<ul style="list-style-type: none"> <li>➤ AMR (Conn) - \$1,100.00</li> <li>➤ Rural-Metro (Fulton County, GA) - \$1,050.00</li> <li>➤ TransCare (NY) – \$1,350.00</li> </ul>
Transport Averages / Specific Base Rates on West and East Coasts		<ul style="list-style-type: none"> <li>➤ Average in CA - \$1,486.00</li> <li>➤ State of Utah – BLS-\$785.00 &amp; ALS-\$1,148.00</li> <li>➤ Philadelphia, PA– BLS-\$900.00 &amp; ALS-\$1,100.00</li> </ul>
Average CPI in the Last Seven Years		<ul style="list-style-type: none"> <li>➤ 2005 – 3.4% , 2008 – 3.8%, 2011 – 3.2%</li> <li>➤ 2006 – 3.2%, 2009 – (0.04)%, 2012 – 2.1%</li> <li>➤ 2007 – 2.8%, 2010 – 1.6%</li> <li>➤ Average: 2.51%</li> </ul>
JEMS Survey of Top 200 Cities – 2012		<ul style="list-style-type: none"> <li>➤ Average BLS Emergency – \$640.77</li> <li>➤ Average ALS 1 – \$773.28</li> <li>➤ Average ALS 2 - \$906.05</li> </ul>



## EMS REIMBURSEMENT RATES

### Proposed Schedule

BLS Emergency (A0429)	ALS 1 Emergency (A0427)	ALS 2 Emergency (A0433)	Mileage
<u>\$467.00</u>	<u>\$660.00</u>	<u>\$770.00</u>	<u>\$11.00</u>



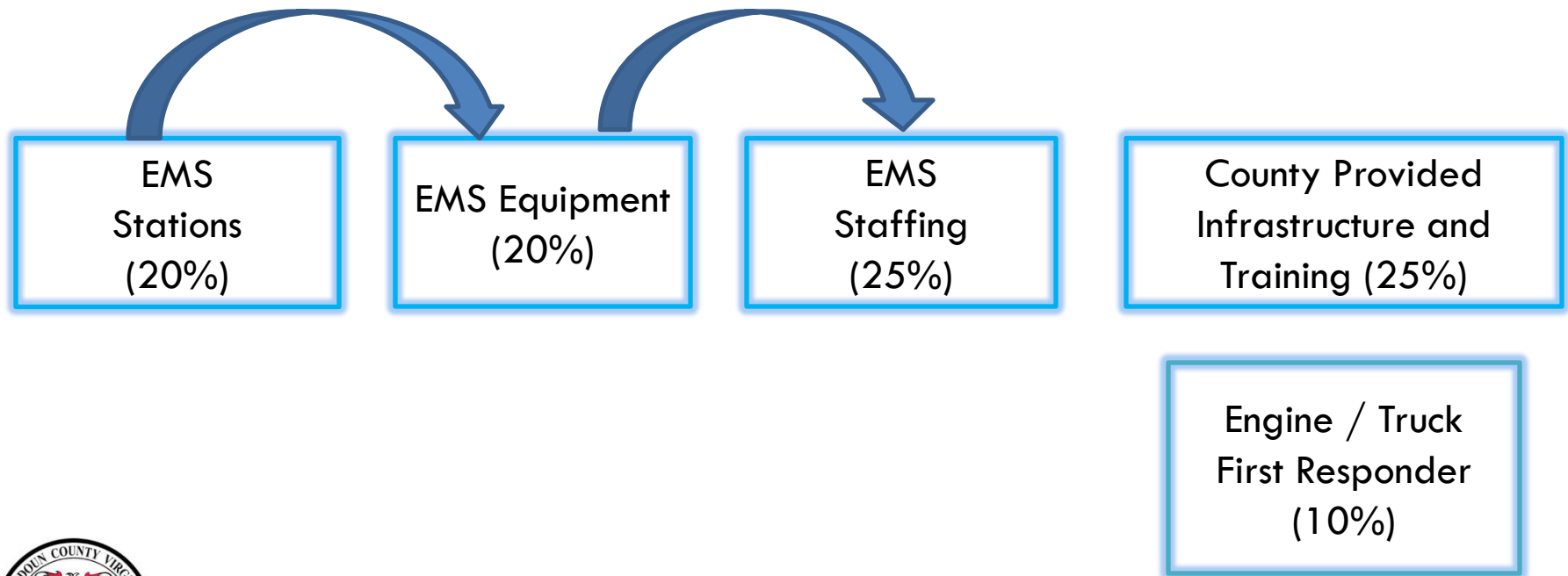
October 17, 2013

- Estimated Gross Revenue for the Emergency Medical Services System (soft billing regime) \$5.38M
- Estimated Cost of the EMS Recovery Program est. \$0.9M (full year)
- Estimated Net Revenue for the Emergency Medical Services System \$4.50M
- Estimated Cost of the Emergency Medical Services Program \$13.77M
- Funds (Net Revenue) will be reinvested in volunteer fire and rescue companies and the county's EMS service to support their services including ambulances, equipment, supplies, infrastructure, and personnel



## REVENUE SHARING FORMULA

- Each “Box” Represents a “Revenue Earning Point”



## What this program will NOT do

- Change the manner in which EMS services are provided.
- Increase any liability to providers
- Create any cost/liability to those calling 911
- Ability to pay not a factor in providing care



## What this program will do

- Allow to infuse more funds into the Combined F&R System without affecting tax rate
- Providing the best quality equipment for our providers (first responders)
- Enhance our continuing education programs for our providers using the latest digital technology, which will result in saving costs the County



*No person will ever be denied EMS transportation by the Combined Fire and Rescue System affiliated companies to the emergency room as a result of an inability to pay, lack of insurance or for whatever reason, they are not enrolled in Medicare, or they are not a Medicaid recipient.*



## Proposed Implementation Timeline

Public Hearing – December 11, 2013

Ordinance Approved – December 2013/January 2014

3<sup>rd</sup> Party Billing Company Contracted – Spring 2014

Ordinance Effective – July 1, 2014 (likely)



**QUESTIONS?**

**[www.loudoun.gov/emsreimbursement](http://www.loudoun.gov/emsreimbursement)**



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